



Florida Institute of Certified Public Accountants

**FLORIDA INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS AND  
FLORIDA INSTITUTE OF ACCOUNTANTS, INC. AND SUBSIDIARY**  
**Consolidated Financial Statements**  
**June 30, 2024 and 2023**  
**With Independent Auditor's Report**

**Florida Institute of Certified Public Accountants and  
Florida Institute of Accountants, Inc. and Subsidiary  
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June 30, 2024 and 2023**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Florida Institute of Certified Public Accountants and  
Florida Institute of Accountants, Inc.:

### Opinion

We have audited the consolidated financial statements of the Florida Institute of Certified Public Accountants and Florida Institute of Accountants, Inc. and Subsidiary (the "Institute"), which comprise the consolidated statements of financial position as of June 30, 2024 and 2023, and the related consolidated statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Florida Institute of Certified Public Accountants and Florida Institute of Accountants, Inc. and Subsidiary as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Institute and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Institute's ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Institute's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Institute's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying consolidating schedules of financial position and activities as of and for the years ended June 30, 2024 and 2023 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

A handwritten signature in blue ink that reads "Withum Smith & Brown, PC".

September 25, 2024

**Florida Institute of Certified Public Accountants and  
Florida Institute of Accountants, Inc. and Subsidiary  
Consolidated Statements of Financial Position  
June 30, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 3,161,102	\$ 2,295,340
Accounts receivable and accrued income	165,024	144,572
Prepaid expenses	<u>200,807</u>	<u>250,466</u>
Total current assets	3,526,933	2,690,378
Investments	17,731,882	16,029,931
Property and equipment, net	1,566,545	1,214,790
Right-of-use assets - operating, net	2,535,579	2,860,714
Right-of-use assets - financing, net	12,851	17,387
Deposits and other assets	<u>27,330</u>	<u>25,444</u>
Total assets	<u>\$ 25,401,120</u>	<u>\$ 22,838,644</u>
<b>Liabilities and Net Assets</b>		
Current liabilities		
Current portion of right-of-use liabilities - operating	\$ 216,683	\$ 182,766
Current portion of right-of-use liabilities - financing	4,491	4,546
Accounts payable and accrued expenses	908,509	901,717
Deferred revenues		
Membership dues	2,276,584	1,885,053
Continuing professional education fees	129,977	99,501
Other	<u>116,723</u>	<u>134,180</u>
Total current liabilities	3,652,967	3,207,763
Lease liabilities		
Right-of-use liabilities - operating, net of current portion	2,562,653	2,849,602
Right-of-use liabilities - financing, net of current portion	<u>8,632</u>	<u>12,893</u>
Total liabilities	<u>6,224,252</u>	<u>6,070,258</u>
Net assets		
Without donor restrictions	19,119,247	16,710,765
With donor restrictions	<u>57,621</u>	<u>57,621</u>
Total net assets	<u>19,176,868</u>	<u>16,768,386</u>
Total liabilities and net assets	<u>\$ 25,401,120</u>	<u>\$ 22,838,644</u>

The Notes to Consolidated Financial Statements are an integral part of these statements.

**Florida Institute of Certified Public Accountants and  
Florida Institute of Accountants, Inc. and Subsidiary  
Consolidated Statements of Activities  
Years Ended June 30, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
<b>Change in net assets without donor restrictions</b>		
<b>Revenues</b>		
Membership dues	\$ 4,392,994	\$ 4,107,314
Continuing professional education programs	2,709,353	2,389,359
Peer review fees	466,615	450,227
Publications	144,456	92,316
Institute endorsed programs	245,006	195,114
Other revenue	<u>70,636</u>	<u>17,433</u>
Total revenues	<u>8,029,060</u>	<u>7,251,763</u>
<b>Expenses</b>		
Program services		
Membership services	2,968,477	2,949,057
Continuing professional education	2,262,746	2,198,776
Chapter operations	273,755	238,976
Peer review services	479,925	437,728
Government affairs	728,991	675,586
Supporting services		
Management and administrative	<u>1,155,478</u>	<u>1,182,243</u>
Total expenses	<u>7,869,372</u>	<u>7,682,366</u>
<b>Non-operating revenues</b>		
Interest and dividends	421,065	339,922
Net gains on investments	<u>1,827,729</u>	<u>1,186,044</u>
Total non-operating revenues	<u>2,248,794</u>	<u>1,525,966</u>
<b>Change in net assets without donor restrictions</b>	2,408,482	1,095,363
<b>Net assets</b>		
Beginning of year	<u>16,768,386</u>	<u>15,673,023</u>
End of year	<u>\$ 19,176,868</u>	<u>\$ 16,768,386</u>

The Notes to Consolidated Financial Statements are an integral part of these statements.

**Florida Institute of Certified Public Accountants and  
Florida Institute of Accountants, Inc. and Subsidiary  
Consolidated Statements of Cash Flows  
Years Ended June 30, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
<b>Operating activities</b>		
Change in net assets	\$ 2,408,482	\$ 1,095,363
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	240,802	245,844
Loss on sale of property and equipment	-	20,700
Dividend reinvestments	(416,597)	(337,273)
Realized and unrealized gains on investments	(1,827,729)	(1,186,044)
Amortization of right-of-use assets - operating	325,135	229,404
Amortization of right-of-use assets - financing	4,536	756
Changes in		
Accounts receivable and accrued income	(20,452)	72,003
Prepaid expenses	49,659	36,275
Deposits and other assets	(1,886)	13,243
Lease liabilities - operating	(253,032)	(57,750)
Accounts payable and accrued expenses	6,792	206,503
Deferred revenues	404,550	140,451
Net cash provided by operating activities	<u>920,260</u>	<u>479,475</u>
<b>Investing activities</b>		
Purchases of property and equipment	(592,557)	(361,007)
Proceeds from sale of property and equipment	-	840
Proceeds from sales and maturities of investments	542,375	360,000
Net cash used in investing activities	<u>(50,182)</u>	<u>(167)</u>
<b>Financing activities</b>		
Principal payments on financing lease obligations	(4,316)	(704)
Net cash used in financing activities	<u>(4,316)</u>	<u>(704)</u>
Net change in cash and cash equivalents	865,762	478,604
<b>Cash and cash equivalents</b>		
Beginning of year	<u>2,295,340</u>	<u>1,816,736</u>
End of year	<u>\$ 3,161,102</u>	<u>\$ 2,295,340</u>
<b>Noncash investing and financing activities</b>		
Right-of-use assets obtained in exchange for new operating right-of-use lease liabilities, including \$24,244 of prepaid expenses reclassified as right-of-use assets.	<u>\$ -</u>	<u>\$ 2,994,899</u>
Right-of-use assets obtained in exchange for new financing right-of-use lease liabilities	<u>\$ -</u>	<u>\$ 18,143</u>
Deposits used for purchases of property and equipment	<u>\$ -</u>	<u>\$ 130,836</u>

The Notes to Consolidated Financial Statements are an integral part of these statements.

**Florida Institute of Certified Public Accountants and  
Florida Institute of Accountants, Inc. and Subsidiary  
Consolidated Statement of Functional Expenses  
Year Ended June 30, 2024**

	<b>Program Services</b>					<b>Management and Administrative</b>	<b>Total</b>
	<b>Membership Services</b>	<b>Continuing Professional Education</b>	<b>Chapter Operations</b>	<b>Peer Review Services</b>	<b>Government Affairs</b>		
Advertising and promotions	\$ 56,218	\$ 51,408	\$ 23	\$ -	\$ -	\$ -	\$ 107,649
Consulting	40,909	16,407	-	6,556	118,083	11,038	192,993
Contributions and sponsorships	279,103	-	-	-	500	-	279,603
Copier and fax lease	1,616	834	-	245	245	560	3,500
Depreciation and amortization	110,550	61,187	-	17,174	17,174	39,253	245,338
Dues and subscriptions	6,368	2,026	-	1,486	32,921	9,007	51,808
Education	17,307	1,779	-	3,311	2,036	13,009	37,442
Facility and A/V rentals	185,349	305,181	3,400	31,769	29,360	62,705	617,764
Food and beverage	52,685	467,437	44,057	2,905	-	1,804	568,888
Honorariums	40,095	48,536	2,000	-	-	-	90,631
Insurance	25,572	11,549	-	3,281	4,044	18,767	63,213
Legal and accounting	3,640	-	-	-	-	47,522	51,162
Materials and royalties	7,364	83,499	8,125	-	-	-	98,988
Merchant fees	109,611	71,677	1,989	5,896	-	8,852	198,025
Miscellaneous	68,642	28,522	575	2,173	3,450	12,853	116,215
Office supplies	3,568	2,082	95	169	638	374	6,926
Postage	46,209	380	-	270	314	2,790	49,963
Printing	50,437	198	-	552	637	640	52,464
Repairs and maintenance	11,031	6,453	-	1,678	1,678	3,835	24,675
Salaries and benefits	1,564,994	864,687	185,505	364,558	448,804	843,877	4,272,425
Speaker expenses	8,702	68,299	3,682	-	-	-	80,683
Special events	10,000	-	24,304	-	15,673	-	49,977
Telephone and utilities	17,863	7,194	-	1,989	3,037	5,131	35,214
Travel and entertainment	86,388	27,615	-	18,228	24,245	14,341	170,817
Website and technology	164,256	135,796	-	17,685	26,152	59,120	403,009
	<u>\$ 2,968,477</u>	<u>\$ 2,262,746</u>	<u>\$ 273,755</u>	<u>\$ 479,925</u>	<u>\$ 728,991</u>	<u>\$ 1,155,478</u>	<u>\$ 7,869,372</u>

The Notes to Consolidated Financial Statements are an integral part of this statement.



**Florida Institute of Certified Public Accountants and  
Florida Institute of Accountants, Inc. and Subsidiary  
Consolidated Statement of Functional Expenses  
Year Ended June 30, 2023**

	<b>Program Services</b>					<b>Management and Administrative</b>	<b>Total</b>
	<b>Membership Services</b>	<b>Continuing Professional Education</b>	<b>Chapter Operations</b>	<b>Peer Review Services</b>	<b>Government Affairs</b>		
Advertising and promotions	\$ 36,015	\$ 58,815	\$ -	\$ -	\$ -	\$ -	\$ 94,830
Consulting	41,048	23,338	-	8,179	179,005	23,423	274,993
Contributions and sponsorships	234,129	-	-	-	500	-	234,629
Copier and fax lease	2,469	1,372	-	384	384	878	5,487
Depreciation and amortization	110,629	61,461	-	17,209	17,209	40,090	246,598
Dues and subscriptions	6,450	2,881	-	1,455	33,813	7,069	51,668
Education	10,842	6,595	-	1,934	5,565	14,162	39,098
Facility and A/V rentals	169,508	233,296	4,675	27,003	27,204	55,543	517,229
Food and beverage	61,219	414,719	43,327	3,294	-	1,974	524,533
Honorariums	34,000	38,300	2,000	-	-	-	74,300
Insurance	19,520	10,101	-	2,233	3,002	20,161	55,017
Legal and accounting	-	-	-	-	-	48,354	48,354
Materials and royalties	5,915	61,344	4,775	-	-	-	72,034
Merchant fees	89,989	60,709	2,032	4,880	-	10,975	168,585
Miscellaneous	64,511	21,726	125	1,890	2,257	15,444	105,953
Office supplies	5,968	3,095	70	112	247	437	9,929
Postage	39,550	603	-	419	619	4,101	45,292
Printing	41,502	1,039	-	191	1,292	1,009	45,033
Repairs and maintenance	18,471	11,039	-	3,319	2,844	6,567	42,240
Salaries and benefits	1,603,645	891,281	165,528	331,043	339,240	865,939	4,196,676
Speaker expenses	7,672	60,162	3,869	-	-	-	71,703
Special events	258	-	12,575	-	13,205	-	26,038
Telephone and utilities	16,867	7,138	-	1,935	3,171	4,911	34,022
Travel and entertainment	107,787	16,021	-	14,928	21,226	11,788	171,750
Website and technology	221,093	213,741	-	17,320	24,803	49,418	526,375
	<u>\$ 2,949,057</u>	<u>\$ 2,198,776</u>	<u>\$ 238,976</u>	<u>\$ 437,728</u>	<u>\$ 675,586</u>	<u>\$ 1,182,243</u>	<u>\$ 7,682,366</u>

The Notes to Consolidated Financial Statements are an integral part of this statement.

**Florida Institute of Certified Public Accountants and  
Florida Institute of Accountants, Inc. and Subsidiary  
Notes to Consolidated Financial Statements  
June 30, 2024 and 2023**

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**1. NATURE OF OPERATIONS**

The Florida Institute of Certified Public Accountants and Florida Institute of Accountants, Inc. (the “Institute”) is a tax-exempt entity organized in the state of Florida to protect the value of the CPA license, promote the accounting profession, educate and enrich the professional excellence of its members and innovate through forward-thinking leadership. The primary sources of revenue are membership dues and continuing professional education programs.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

The Institute prepares its statements under the guidance of Financial Accounting Standards Board (“FASB”) ASC 958, *Not-for-Profit Entities*. Under FASB ASC 958, the Institute is required to report information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions.

**Basis of Accounting**

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Institute and changes therein are classified and reported as follows:

**Net assets without donor restrictions:** Net assets that are not subject to donor-imposed stipulations. These assets may, however, be subject to Board of Directors (“Board”) designation and unavailable for use at management’s discretion.

**Net assets with donor restrictions:** Net assets that are subject to donor-imposed stipulations. These stipulations either require the Institute to maintain the net asset permanently, generally permitting all or part of the income earned on related assets be used for general or specific purposes or be met either by the completion of a stipulated action and/or the passage of time. As of June 30, 2024 and 2023, the Institute does not have any assets that are required to be maintained permanently.

**Basis of Consolidation**

The consolidated financial statements include the accounts of the Institute, including its local chapters and its wholly-owned subsidiary, CPA Service Corporation, a for-profit corporation. FICPA Insurance Services, LLC, a for-profit limited liability company, is a wholly-owned subsidiary of CPA Service Corporation. All significant intercompany transactions and balances have been eliminated in consolidation. FICPA Insurance Services, LLC was dissolved during the year ended June 30, 2024, with all remaining net assets transferred to CPA Service Corporation upon dissolution.

The Institute provides support to its affiliates:

- FICPA Scholarship Foundation, Inc.
- Florida CPA Political Action Committee, Inc.
- Florida CPA Political Action Committee – North, Inc.
- Florida CPA Political Action Committee – South, Inc.
- Florida CPA Political Action Committee – Central, Inc.

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These organizations are not considered financially interrelated organizations, as defined in FASB ASC 958, *Not-for-Profit Entities*, and, accordingly, are not included in the accompanying consolidated financial statements.

**Use of Estimates**

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of support, revenues, and expenses during the reporting period. Actual results could differ from those estimates.

**Cash and Cash Equivalents**

Cash and cash equivalents consist of checking and savings accounts and money market funds similar to demand deposits. The Institute considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

At times, the Institute had a concentration of credit risk arising from cash deposits at a financial institution in excess of federally insured limit. At June 30, 2024, approximately \$2,373,000 of cash and cash equivalents were uninsured. Any loss incurred or a lack of access to such funds could have a significant adverse impact on the Institute's financial condition, results of operations, and cash flows.

**Accounts Receivable and Accrued Income**

The Institute is a professional association which grants credit to members who use the continuing professional education and peer review services offered by the Institute. The Institute also grants credit to customers for advertisements in the *Florida CPA Today* magazine. Accounts receivable are stated at estimated net realizable value. For certain trade receivables over 30 days past due, an interest rate of 1.5% is applied against the outstanding balance. After 120 days past due, accounts are generally turned over to a third-party collection agency and a valuation allowance is set up. The allowance for credit losses, if necessary, is based on the Institute's historic write-offs, the present and forecasted economic conditions, and the perceived financial stability of its members. Specific accounts, generally no more than one year past due, are written off once determined uncollectible by the collection agency and management. At June 30, 2024 and 2023, no allowance for credit losses was recorded.

**Investments**

The Institute invests in debt and equity securities for long-term preservation of capital and growth through consistent returns. The Institute accounts for investments in accordance with FASB ASC 958, *Not-for-Profit Entities*. Therefore, investments in debt and equity securities are reported at fair market value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 4 for discussion of fair value measurements.

Realized and unrealized gains and losses are reflected in the consolidated statements of activities. Interest income is recorded on the accrual basis, and dividends are recorded on the ex-dividend date. The Institute's investments consist of mutual funds and exchange-traded funds with readily determinable market values.

**Leases**

The Institute categorizes leases with contractual terms longer than 12 months as either operating or financing. Financing leases are generally those leases that allow the Institute to substantially utilize or pay for the entire asset over its estimated life. All other leases are categorized as operating leases. Leases with

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contractual term of 12 months or less are not recorded on the consolidated statements of financial position. Certain lease contracts include obligations to pay for other services, such as operations, property taxes, and maintenance. For leases of property, the Institute accounts for these other services as a component of the lease. For all other leases, the services are accounted for separately and the Institute allocates payments to the lease and other service components based on estimated stand-alone prices.

Lease liabilities are recognized at the present value of the fixed lease payments, reduced by any incentives, using a discount rate based on the risk-free rate at time of lease execution or adoption. Right-of-use assets are recognized based on the initial present value of the fixed lease payments, reduced by any incentives and any direct costs from executing the leases. Lease assets are tested for impairment in the same manner as long-lived assets used in operations.

Options to extend lease terms, terminate leases before the contractual expiration date, or purchase the leased assets are evaluated for their likelihood of exercise. If it is reasonably certain that the option will be exercised, the option is considered in determining the classification and measurement of the lease.

Costs associated with operating lease assets are recognized on a straight-line basis within operating expenses over the term of the lease. Finance lease assets are amortized on a straight-line basis over the shorter of the estimated useful lives of the assets or the lease term.

**Property and Equipment**

Property and equipment is recorded at cost. Material purchases of property and equipment, and significant repairs and additions, which extend the useful life of existing assets, are capitalized in accordance with the Institute's adopted policy. The building is depreciated over its estimated useful life of 40 years using the straight-line method. Furniture, fixtures, and equipment are depreciated over estimated useful lives ranging from 3 to 15 years using the straight-line method. Leasehold improvements are amortized over the shorter of their useful life or the term of the related lease.

**Revenue Recognition**

Revenues are recognized when the earnings process is substantially complete and goods have been delivered or services performed at an amount expected to be collected. Revenues from membership dues are recognized over the 12-month period to which they relate based on benefits transferred to members. Continuing education revenues are recognized at a point in time when the educational course has been held or the educational materials have been delivered. Peer review fees are recognized at a point in time when the Institute has substantially completed the review process. Payments received for membership dues, continuing education events and courses, and other services, in advance of the delivery of goods or performance of services, are recorded as deferred revenues in the accompanying consolidated statements of financial position. At July 1, 2022, the balance of accounts receivable and accrued income and deferred revenues totaled \$216,575, and \$1,978,283, respectively.

The Institute has considered the economic factors affecting the nature, timing, and uncertainty of revenue and cash flows, and concluded that there is no significant uncertainty with respect to its revenue streams.

**Advertising**

The Institute expenses the costs of advertising the first time the advertising takes place, except for direct-response advertising which is expensed over its expected period of future benefits. Direct-response advertising consists of CPE program advertisements placed in the *Florida CPA Today* magazine, directories, and other direct-mail brochures. The capitalized costs of the advertising are expensed over the annual CPE program term and as advertised classes are held. For the years ended June 30, 2024 and 2023, advertising expense was approximately \$108,000 and \$95,000, respectively.

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**Income Taxes**

The Institute is generally exempt from income taxes under Section 501(c)(6) of the Internal Revenue Code. However, the Institute is subject to tax on unrelated business income arising from advertising and certain commissions.

The wholly-owned for-profit subsidiary uses the asset and liability method of accounting for income taxes as required by FASB ASC 740, *Income Taxes*. Therefore, federal and state income taxes are provided on income reported for financial statement purposes and include both current and deferred income tax expense. Current income tax expense is recorded to reflect income taxes based upon the tax returns filed with the appropriate taxing agencies. Deferred income taxes are recorded to reflect the tax consequences on future years of differences between the tax bases of assets and liabilities and their financial reporting amounts at year end. The change in deferred income taxes is recognized as deferred income tax expense or benefit. The tax benefit related to operating loss carryforwards, if any, is recognized if management believes, based on available evidence, that it is more likely than not that they will be realized.

**Significant Accounting Pronouncements**

Accounting Standards Update ("ASU") 2016-13 *Financial Instruments – Credit Losses: Measurement of Credit Losses on Financial Instruments* ("ASU 2016-13") requires entities to use a current lifetime expected loss methodology to measure impairments to certain financial assets. Using this methodology will result in earlier recognition of losses than under the former incurred loss approach, which requires waiting to recognize a loss until it is probable or has been incurred. The Institute adopted the requirements of ASU 2016-13 effective July 1, 2023, with minimum impact on its financial position, results of operations or cash flows.

**Subsequent Events**

Subsequent events have been evaluated through September 25, 2024, the date the consolidated financial statements were available to be issued. Based upon this evaluation, the Institute has determined that no subsequent events have occurred which require adjustment to or disclosure in the consolidated financial statements.

**3. INVESTMENTS**

Investments consist of the following at June 30:

	<b>2024</b>		
	<b>Historical Cost</b>	<b>Unrealized Gains (Losses)</b>	<b>Market and Carrying Value</b>
Mutual funds invested in debt securities	\$ 2,098,395	\$ (166,053)	\$ 1,932,342
Mutual funds invested in equity securities	3,202,194	3,418,260	6,620,454
Exchange-traded funds invested in debt securities	3,329,346	(155,067)	3,174,279
Exchange-traded funds invested in equity securities	<u>2,526,192</u>	<u>3,478,615</u>	<u>6,004,807</u>
Total investments	<u>\$ 11,156,127</u>	<u>\$ 6,575,755</u>	<u>\$ 17,731,882</u>

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	<b>2023</b>		
	<b>Historical Cost</b>	<b>Unrealized Gains (Losses)</b>	<b>Market and Carrying Value</b>
Mutual funds invested in debt securities	\$ 2,036,206	\$ (173,907)	\$ 1,862,299
Mutual funds invested in equity securities	3,207,081	2,671,069	5,878,150
Exchange-traded funds invested in debt securities	3,214,980	(212,056)	3,002,924
Exchange-traded funds invested in equity securities	2,543,933	2,742,625	5,286,558
Total investments	<u>\$ 11,002,200</u>	<u>\$ 5,027,731</u>	<u>\$ 16,029,931</u>

For the year ended June 30, 2024 and 2023, management considers any unrealized losses on investments to be temporary impairments due to market volatility at year end.

Net gains on investments shown on the accompanying consolidated statements of activities consist of the following for the years ended June 30:

	<b>2024</b>	<b>2023</b>
Unrealized gains	\$ 1,548,025	\$ 1,019,586
Realized gains	279,704	166,458
Net gains on investments	<u>\$ 1,827,729</u>	<u>\$ 1,186,044</u>

#### **4. FAIR VALUE MEASUREMENTS**

FASB ASC 820, *Fair Value Measurements and Disclosures*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

*Level 1* - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Institute has the ability to access.

*Level 2* - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

*Level 3* - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following are descriptions of the valuation methodologies used for investments measured at fair value. There have been no changes in the methodologies used at June 30, 2024 and 2023.

*Mutual Funds:* Valued at the daily closing price as reported by the funds. Mutual funds held by the Institute are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value and to transact at that price. The mutual funds held by the Institute are deemed to be actively traded.

*Exchange-Traded Funds:* Measured at the value of the quoted market prices. The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Institute believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth the Institute's Level 1 investments measured at fair value at June 30:

	<u>2024</u>	<u>2023</u>
Mutual funds invested in debt securities		
Vanguard Short-Term Bond Index Fund	\$ 863,338	\$ 825,450
Vanguard Inter-Term Bond Index Fund	<u>1,069,004</u>	<u>1,036,849</u>
	<u>1,932,342</u>	<u>1,862,299</u>
Mutual funds invested in equity securities		
Vanguard Federal Money Market Fund	5,574	-
Vanguard 500 Index Fund	2,773,601	2,364,691
Vanguard Small Cap Index Fund	592,498	531,391
Vanguard Total International Stock Index Fund Admiral Shares	434,892	391,933
Vanguard High Dividend Yield Index	2,419,348	2,237,248
Vanguard Mid Cap Index Fund	<u>394,541</u>	<u>352,887</u>
	<u>6,620,454</u>	<u>5,878,150</u>
Exchange-traded funds invested in debt securities		
iShares Floating Rate Bond	61	57
Vanguard Inter-Term Corporate Bond	910,338	863,400
Vanguard Short-Term Corporate Bond	<u>2,263,880</u>	<u>2,139,467</u>
	<u>3,174,279</u>	<u>3,002,924</u>

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Exchange-traded funds invested in equity securities		
Vanguard FTSE Emerging Markets	175,506	157,648
Vanguard Dividend Appreciation	2,840,337	2,730,161
Ishares Core S&P 500	2,988,964	2,398,749
	<u>6,004,807</u>	<u>5,286,558</u>
Total investments	<u>\$ 17,731,882</u>	<u>\$ 16,029,931</u>

The value and related income of the Institute's investments are sensitive to changes in economic conditions. Accordingly, investment values may be subject to risks by shifts in the market's perception of the issuers and changes in interest rates.

**5. PROPERTY AND EQUIPMENT**

The components of property and equipment at June 30, 2024 and 2023 are presented below:

	<u>2024</u>	<u>2023</u>
Land	\$ 208,932	\$ 85,000
Building	943,828	526,973
Leasehold improvements	143,924	143,924
Furniture, fixtures, and equipment	1,009,041	1,081,545
Less: Accumulated depreciation	<u>(739,180)</u>	<u>(622,652)</u>
Total property and equipment	<u>\$ 1,566,545</u>	<u>\$ 1,214,790</u>

Depreciation expense of property and equipment totaled \$240,802 and \$245,844 for the years ended June 30, 2024 and 2023, respectively.

**6. LINE OF CREDIT**

Pursuant to an agreement with Hancock Whitney Bank, the Institute has available a \$500,000 unsecured line of credit, which expires in February 2025. The line of credit bears interest at *The Wall Street Journal* prime rate (8.50% and 8.25% at June 30, 2024 and 2023, respectively). At June 30, 2024 and 2023, there was no outstanding balance.

**7. DEFINED-CONTRIBUTION PLAN**

The Institute sponsors a defined-contribution pension plan for salaried employees who have completed six months of service and have attained age 20½ years. The plan provides for matching and discretionary profit-sharing contributions by the Institute on behalf of eligible employees. Employees may optionally contribute to the plan via salary deferrals and are limited by certain provisions of the Internal Revenue Code. Due to the nature of the plan, there is no liability for past service costs or unfunded vested benefits. For the fiscal years ended June 30, 2024 and 2023, the Institute's contributions to the plan totaled approximately \$92,000 and \$89,000, respectively. For the years ended June 30, 2024 and 2023, there were discretionary profit sharing contributions of \$63,559 and zero, respectively.



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**8. INCOME TAXES**

The wholly-owned for-profit subsidiary (CPA Service Corporation and its wholly-owned for-profit subsidiary, FICPA Insurance Services, LLC) uses the asset and liability method of accounting for income taxes as required by FASB ASC 740, *Income Taxes*. Under this statement, CPA Service Corporation and its subsidiary have an estimated gross deferred tax asset of approximately \$8,000 and \$11,000 at June 30, 2024 and 2023, respectively, resulting from approximately \$39,000 and \$51,000 of income tax net operating loss carryforwards unused at June 30, 2024 and 2023, respectively. Of these carryforwards, approximately \$6,000, \$4,000 and \$100 expire in 2025, 2026, and 2027, respectively. The remaining amounts expire at various times between 2027 and 2034. However, due to uncertainty regarding realizability, a valuation allowance has been recorded in the full amount of the estimated deferred tax assets as of June 30, 2024 and 2023. Therefore, there was no net deferred income tax benefit recognized by CPA Service Corporation for the years ended June 30, 2024 and 2023. The unused net operating loss is available to offset future taxable income of CPA Service Corporation and its subsidiary.

The Institute implemented the accounting requirements associated with uncertainty in income taxes using the provisions of FASB ASC 740, *Income Taxes*. Using that guidance, tax positions initially need to be recognized in financial statements when it is more-likely-than-not the positions will be sustained upon examination by the tax authorities. It also provides guidance for de-recognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. As of June 30, 2024 and 2023, the Institute has no uncertain tax positions that qualify for either recognition or disclosure in the consolidated financial statements. Interest and penalties, if any, are included in miscellaneous expense in the consolidated statements of functional expenses. The Institute is generally no longer subject to examination by the Internal Revenue Service for years prior to 2021.

**9. FUNCTIONAL ALLOCATION OF EXPENSES**

The consolidated statements of functional expenses present expenses by function and natural classification. Expenses directly attributable to a specific functional area are reported as expenses of those functional areas. A portion of management and administrative costs that benefit multiple functional areas (indirect costs) have been allocated across program and supporting services based on estimated time spent by employees involved with those areas. Other management and administrative expenses, including depreciation and amortization and rent, are allocated based on employee head count and estimated square footage prorated compared to total space used.

**10. NET ASSETS WITHOUT DONOR RESTRICTIONS**

The Institute's net assets without donor restrictions are comprised of undesignated and Board designated amounts for the following purposes at June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Undesignated	\$ 15,442,770	\$ 13,172,223
Board designated for operating reserves	3,553,101	3,437,452
Board designated for Chapter operations	<u>123,376</u>	<u>101,090</u>
	<u>\$ 19,119,247</u>	<u>\$ 16,710,765</u>

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**Operating Reserves**

During 2020, the Board, the Finance and Office Advisory Subcommittee ("FOA"), and the FICPA Council (the "Council") approved an operating reserve policy to be funded from net assets without donor restrictions excluding the carrying value of property and equipment totaling \$1,566,545 and \$1,214,790 at June 30, 2024 and 2023, respectively. The policy designates funding of 50% of the prior three-year rolling average of annual operating and program expenses with a minimum of not less than 25% and was established to infuse funds for maintaining operations during times of financial distress, given a solid plan. These reserve funds may only be used following a recommendation from the FOA or Board and ratification from the Council.

**Chapter Operations**

The Institute has designated funds related to Chapter net assets previously accumulated through Chapter initiatives. Annually, Chapter operations are reviewed in total and any monetary shortfalls in a given year are funded using these funds at management's discretion. Although it is not the intent of the Institute or its management to utilize these Chapter designated funds for Institute operations, it can do so with the approval of the Board.

**11. NET ASSETS WITH DONOR RESTRICTIONS**

The Institute reports contributions of cash or other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. For each of the years ended June 30, 2024 and 2023, the Institute held \$57,621 of contributions from members to support the Anti-Tax Initiative.

**12. RELATED PARTIES**

At June 30, 2024 and 2023, the Institute held amounts collected on behalf of or designated to certain affiliates. These amounts are included in accounts payable and accrued expenses, and accounts receivable and accrued income as follows at June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Due to FICPA Scholarship Foundation, Inc.	\$ 8,837	\$ 15,965
Due to Florida CPA Political Action Committees	<u>21,777</u>	<u>26,295</u>
	<u>\$ 30,614</u>	<u>\$ 42,260</u>

At times, the Institute provides services to the FICPA Scholarship Foundation, Inc. which are recorded as in-kind contributions under the related service expense. For the years ended June 30, 2024 and 2023, the Institute contributed approximately \$277,000 and \$230,000, respectively, of services related to administrative support which has been included in membership services in the consolidated statements of activities.

**13. LEASES**

**Operating Leases**

Commencing December 1, 2022, the Institute entered a noncancelable operating lease for office space in Orlando, Florida. The lease expires in November 2033 and requires escalating monthly lease payments ranging from approximately \$26,000 to \$33,000 through the duration of the lease.

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Commencing January 1, 2021, the Institute entered a noncancelable operating lease for temporary office space in Orlando, Florida. The lease expired in January 2023 and required escalating monthly lease payments ranging from approximately \$13,000 to \$14,000 through the duration of the lease.

At June 30, 2024 and 2023, the weighted average discount rate related to the operating lease is 3.53%. At June 30, 2024 and 2023, the weighted average remaining life of the Institute's operating lease is 9.42 years and 10.42 years, respectively.

For the year ended June 30, 2024, lease expense incurred under all leases consisted of approximately \$400,000 for operating leases and \$216,000 for short-term and other occupancy costs. For the year ended June 30, 2023, lease expense incurred under all leases consisted of approximately \$292,000 for operating leases and \$232,000 for short-term and other occupancy costs.

**Financing Leases**

The Institute is obligated under a financing lease agreement for certain office equipment through April 2027, for which payments of \$407 are due monthly throughout the duration of the lease. At June 30, 2024 and 2023, equipment under the financing lease in the consolidated statement of financial position consists of the following:

	<u>2024</u>	<u>2023</u>
Right-of-use assets for equipment under financing leases	\$ 18,143	\$ 18,143
Accumulated amortization	<u>(5,292)</u>	<u>(756)</u>
	<u>\$ 12,851</u>	<u>\$ 17,387</u>

Total amortization expense of right-of-use assets for equipment under financing leases for the years ended June 30, 2024 and 2023 was \$4,536 and \$756, respectively, and is included in depreciation and amortization expense in the accompanying consolidated statements of functional expenses. Interest expense related to financing leases totaled \$567 and \$107 and is included in miscellaneous expense on the consolidated statements of functional expenses for the years ended June 30, 2024 and 2023, respectively.

At June 30, 2024 and 2023, the weighted average discount rate related to financing leases is 3.66%. At June 30, 2024 and 2023, the weighted average remaining life of the Institute's equipment leases is 2.83 years and 3.83 years, respectively.

For the year ended June 30, 2024, cash paid for operating lease liabilities and financing lease liabilities totaled approximately \$261,000 and \$5,000, respectively. For the year ended June 30, 2023, cash paid for operating lease liabilities and financing lease liabilities totaled approximately \$96,000 and \$800, respectively.

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The following represents the future lease payments due under the Institute's financing and operating leases as of June 30, 2024:

	<u>Operating Leases</u>	<u>Financing Leases</u>
2025	\$ 311,346	\$ 4,883
2026	319,898	4,883
2027	328,715	4,029
2028	337,781	-
2029	347,053	-
Thereafter	<u>1,649,165</u>	<u>-</u>
	3,293,958	13,795
Less: Imputed interest	<u>(514,622)</u>	<u>(672)</u>
Total lease liabilities at June 30, 2024	2,779,336	13,123
Less: Current portion	<u>(216,683)</u>	<u>(4,491)</u>
Lease liabilities, less current portion	<u>\$ 2,562,653</u>	<u>\$ 8,632</u>

The following represents the future lease payments due under the Institute's financing and operating leases as of June 30, 2023:

	<u>Operating Leases</u>	<u>Financing Leases</u>
2024	\$ 287,648	\$ 4,883
2025	321,977	4,883
2026	330,821	4,883
2027	339,940	4,016
2028	349,315	-
Thereafter	<u>2,031,288</u>	<u>-</u>
	3,660,989	18,665
Less: Imputed interest	<u>(628,621)</u>	<u>(1,226)</u>
Total lease liabilities at June 30, 2023	3,032,368	17,439
Less: Current portion	<u>(182,766)</u>	<u>(4,546)</u>
Lease liabilities, less current portion	<u>\$ 2,849,602</u>	<u>\$ 12,893</u>

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**14. FINANCIAL ASSETS AND LIQUIDITY RESOURCES**

The Institute's financial assets available within one year of the consolidated statements of financial position date for general expenditures are as follows at June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 3,161,102	\$ 2,295,340
Accounts receivable and accrued income	165,024	144,572
Investments	<u>17,731,882</u>	<u>16,029,931</u>
Total financial assets available within one year	21,058,008	18,469,843
Less: Amounts unavailable for general expenditures within one year due to Donor restrictions		
Purpose restrictions	(57,621)	(57,621)
Board restrictions		
Board designated for operating reserves	(3,553,101)	(3,437,452)
Board designated for Chapter operations	(123,376)	(101,090)
Contractual obligations		
Noncancelable leases	<u>(316,229)</u>	<u>(292,531)</u>
Total financial assets available to management for general expenditures within one year	<u>\$ 17,007,681</u>	<u>\$ 14,581,149</u>

As part of the Institute's liquidity management, it has a policy to structure its financial assets according to their nearness of conversion to cash and liabilities according to the nearness of their maturity and resulting use of cash.



Florida Institute of Certified Public Accountants

**SUPPLEMENTARY INFORMATION**

**Florida Institute of Certified Public Accountants and  
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Consolidating Schedules of Financial Position  
June 30, 2024 with Comparative Totals for 2023**

	<b>FICPA &amp; Chapters</b>	<b>CPA Service Corporation</b>	<b>FICPA Insurance Services, LLC</b>	<b>Eliminating Entries</b>	<b>2024 Total</b>	<b>2023 Total</b>
<b>Assets</b>						
Current assets						
Cash and cash equivalents	\$ 3,121,647	\$ 39,455	\$ -	\$ -	\$ 3,161,102	\$ 2,295,340
Accounts receivable and accrued income	165,024	-	-	-	165,024	144,572
Prepaid expenses	200,807	-	-	-	200,807	250,466
Total current assets	3,487,478	39,455	-	-	3,526,933	2,690,378
Investments	17,771,337	-	-	(39,455)	17,731,882	16,029,931
Property and equipment, net	1,566,545	-	-	-	1,566,545	1,214,790
Right-of-use assets - operating, net	2,535,579	-	-	-	2,535,579	2,860,714
Right-of-use assets - financing, net	12,851	-	-	-	12,851	17,387
Deposits and other assets, net	27,330	-	-	-	27,330	25,444
Total assets	<u>\$ 25,401,120</u>	<u>\$ 39,455</u>	<u>\$ -</u>	<u>\$ (39,455)</u>	<u>\$ 25,401,120</u>	<u>\$ 22,838,644</u>
<b>Liabilities and Net Assets</b>						
Current liabilities						
Current portion of right-of-use liabilities - operating	\$ 216,683	\$ -	\$ -	\$ -	\$ 216,683	\$ 182,766
Current portion of right-of-use liabilities - financing	4,491	-	-	-	4,491	4,546
Accounts payable and accrued expenses	908,509	-	-	-	908,509	901,717
Deferred revenues						
Membership dues	2,276,584	-	-	-	2,276,584	1,885,053
Continuing professional education fees	129,977	-	-	-	129,977	99,501
Other	116,723	-	-	-	116,723	134,180
Total current liabilities	3,652,967	-	-	-	3,652,967	3,207,763
Right-of-use liabilities - operating, net of current portion	2,562,653	-	-	-	2,562,653	2,849,602
Right-of-use liabilities - financing, net of current portion	8,632	-	-	-	8,632	12,893
Total liabilities	<u>6,224,252</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,224,252</u>	<u>6,070,258</u>
Net assets						
Common stock	-	10	-	(10)	-	-
Additional paid-in capital	-	654,262	-	(654,262)	-	-
Retained earnings (accumulated deficit)	-	(614,817)	-	614,817	-	-
Without donor restrictions	19,119,247	-	-	-	19,119,247	16,710,765
With donor restrictions	57,621	-	-	-	57,621	57,621
Total net assets	<u>19,176,868</u>	<u>39,455</u>	<u>-</u>	<u>(39,455)</u>	<u>19,176,868</u>	<u>16,768,386</u>
Total liabilities and net assets	<u>\$ 25,401,120</u>	<u>\$ 39,455</u>	<u>\$ -</u>	<u>\$ (39,455)</u>	<u>\$ 25,401,120</u>	<u>\$ 22,838,644</u>

See Independent Auditor's Report.

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Consolidating Schedules of Activities  
Year Ended June 30, 2024 with Comparative Totals for 2023**

	<u>FICPA</u>	<u>CPA Service Corporation</u>	<u>FICPA Insurance Services, LLC</u>	<u>Eliminating Entries</u>	<u>2024 Total</u>	<u>2023 Total</u>
<b>Change in net assets without donor restrictions</b>						
<b>Revenues</b>						
Membership dues	\$ 4,392,994	\$ -	\$ -	\$ -	\$ 4,392,994	\$ 4,107,314
Continuing professional education programs	2,709,353	-	-	-	2,709,353	2,389,359
Peer review fees	466,615	-	-	-	466,615	450,227
Publications	144,456	-	-	-	144,456	92,316
Institute endorsed programs	245,006	-	-	-	245,006	195,114
Other revenue (expense)	<u>70,361</u>	<u>-</u>	<u>-</u>	<u>275</u>	<u>70,636</u>	<u>17,433</u>
Total revenues	<u>8,028,785</u>	<u>-</u>	<u>-</u>	<u>275</u>	<u>8,029,060</u>	<u>7,251,763</u>
<b>Expenses</b>						
Program services						
Membership services	2,968,477	-	-	-	2,968,477	2,949,057
Continuing professional education	2,262,746	-	-	-	2,262,746	2,198,776
Chapter operations	273,755	-	-	-	273,755	238,976
Peer review services	479,925	-	-	-	479,925	437,728
Government affairs	728,991	-	-	-	728,991	675,586
Supporting services						
Management and administrative	<u>1,155,203</u>	<u>275</u>	<u>-</u>	<u>-</u>	<u>1,155,478</u>	<u>1,182,243</u>
Total expenses	<u>7,869,097</u>	<u>275</u>	<u>-</u>	<u>-</u>	<u>7,869,372</u>	<u>7,682,366</u>
<b>Non-operating revenues</b>						
Interest and dividends	421,065	-	-	-	421,065	339,922
Net gains on investments	<u>1,827,729</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,827,729</u>	<u>1,186,044</u>
Total non-operating revenues	<u>2,248,794</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,248,794</u>	<u>1,525,966</u>
<b>Change in net assets without donor restrictions</b>	2,408,482	(275)	-	275	2,408,482	1,095,363
<b>Net assets</b>						
Beginning of year	16,768,386	39,730	41,771	(81,501)	16,768,386	15,673,023
Dissolution of subsidiary	<u>-</u>	<u>-</u>	<u>(41,771)</u>	<u>41,771</u>	<u>-</u>	<u>-</u>
End of year	<u>\$ 19,176,868</u>	<u>\$ 39,455</u>	<u>\$ -</u>	<u>\$ (39,455)</u>	<u>\$ 19,176,868</u>	<u>\$ 16,768,386</u>

See Independent Auditor's Report.